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GOVERNMENT CORPORATIONS

SEMINAR IN COMPTROLLERSHIP
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THE UNITED STATES OF AMERICA
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OFFICE OF THE SECRETARY

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Approved by
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GOVERNMENT CORPORATIONS

Introduction

The New Deal....does not wish to run or manage any part of the economic machine which private enterprise can run and keep running. That should be left to individuals, to corporations, to any other form of private management, with profit for those who manage well. But, when an abuse interferes with the ability of private enterprise to keep the national conveyor belt moving, government has the responsibility to eliminate that abuse.

1
Franklin D. Roosevelt

Even if the government conduct of business could give us the maximum of efficiency instead of least efficiency, it would be purchased at the cost of freedom.

2
Herbert Hoover

There exists so many opinions in the area of government corporations that from the many arguments one is stimulated to become better acquainted and find out more about their inner workings.

What is this device that can be created to help in emergencies, that can be discarded at the politician's will, and that is so avidly debated for and against?

The commercial corporation is an organization that would only be argued against by the communist. As the method to achieve the greatest results for its shareholders, it is unexcelled. It is solidly established in the western business world. Should the government perform the

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1. The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House Inc.) 1938
 2. The Challenge to Liberty (New York: Scribner, 1934)

type functions to which the corporation lends itself so well?

It has been rather obviously noted that the general direction of our time is toward collectivism, no one can say how far it will go. To find out more about government corporations and to form some philosophy about their existence is the prime purpose of this paper.

The extent to which the Federal government is now engaged in commercial activity can well be seen by this report by the Hoover Commission.

"There are about 100 important business enterprises which the Federal Government owns, or in which it is financially interested. These concerns engage directly or indirectly in lending money, guaranteeing loans and deposits, writing life insurance, the producing, distributing, and selling of electric power and fertilizers, the operation of railroads and ships, the purchasing and selling of farm products, and the smelting and sale of metals. The Government's direct investment in these enterprises is in excess of \$20 billion, and there are further authorized commitments to supply about \$14 billion to them. In addition, the Government guarantees directly, and indirectly, about \$90 billion of deposits and mortgages and the life insurance written by Government agencies approaches \$40 billion." 3

type functions to which the corporation lends itself as

well.

It has been further pointed out that the general

direction of the law in favor of corporations, as the law

has been for a long time. The law has been made more

and more corporations and the law has been made more

effective in the same manner of this report.

The report is also the subject of discussion in the

engaged in commercial activity can well be said to be

part of the Hoover Commission.

"There are about 100 important business corporations

which are the Federal Government's business, as it

is in financially interested. These are

either directly or indirectly in the

industry, manufacturing, mining and commerce, and

life insurance, the post office, and

and holding of electric power and other

the ownership of electric power and other

and holding of electric power and other

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Chapter I

FEDERAL CORPORATIONS

The origin of corporations is lost in antiquity. The word 'corporation' comes from Latin corpore "to form a body." This masterpiece of ingenuity is generally attributed to the Romans. Yet, the Greeks in 594 BC, and the Phoenicians in 900 BC are said to have used this form of organization.

An old definition is "A Corporation is an association of persons to whom the sovereign has offered a franchise to become an artificial juridicial person with a name of its own which they can act and contract, sue and be sued, and who have accepted the offer and effected the organization in substantial conformity with its terms." 4

The Federal government has no express, but an implied, power to create corporations wherever necessary or desirable to carry out any of its express powers, as banks under currency power, railroads under interstate commerce power, manufacturing company to supply army or navy armor plate. While the Federal Congress might make the exercise of such power exclusive in it, until it has done so, the States have and exercise concurrent power to create corporations for carrying on any of their purposes. Congress probably cannot create corporations for other purposes than those stated or implied in its express powers, to

4. The Encyclopedia America, Volume 8, p. 2

operate in the States, against their consent; although, because the National banks and the Pacific railroads incorporated by Congress do a local business, it has been argued that Congress can give such capacity, if not the legal right to do such business. Under the "commerce power", the Congress has not only incorporated railroad companies to build and operate interstate railroads, but, also a canal corporation with authority to construct a canal in a foreign country. So, in our Federal Corporations there exists little, if any, real authority for the Federal Corporations. It has been creditably argued that the Federal Corporation is an infringement upon the rights of private industry, and that the exhalation of their use has taken us a long way toward Socialism and, that, further, they are the use of political force to abolish private property and private enterprise.

The Hoover Commission report, and especially its supporting task force reports, found the Federal Corporation to have many virtues, the most outstanding being the fact that it is administratively detached, temporary, instead of permanent, and easily abolished when political sentiment is favorable to "less government in business." The clearest statement of this position is found in the task force report on Lending Agencies.

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Some reports on leading American

Chapter II

REASONS FOR GOVERNMENT PARTICIPATION IN BUSINESS

Many new responsibilities have been placed upon the government in the past 40 years so as to require it to engage increasingly in business-type operations, so that today a substantial portion of federal activities falls within the corporate category. They all have a common objective, to accomplish some authorized governmental purpose. Profit is not the goal. These enterprises are merely means to an end. They do not differ materially in purpose from other types of governmental activity which are called "political." Government entrance into the business field has taken place for several reasons. One reason was the failure of private industry in an essential industry, this was the case with the Panama Canal and the Alaskan Railroad. National health and morals have been the primary considerations in the development of many of the water systems. Government has intervened for reasons of national defense, this was the case with the railroad, telephone, and telegraph systems during the First World War. National defense, at the moment, explains government ownership and operation of atomic-energy industry. These were not, in every sense, Corporations, but the principal of government administration of private industry is illustrated. Many of the seemingly desirable undertakings have

THE GOVERNMENT'S POLICY IN BUSINESS

There are two main reasons why the Government is interested in business. First, it is interested in the growth of the economy. Second, it is interested in the distribution of income. The Government's policy in business is to promote growth and to ensure a fair distribution of income. This is done by a variety of means, including taxation, regulation, and public ownership. The Government's policy in business is to promote growth and to ensure a fair distribution of income. This is done by a variety of means, including taxation, regulation, and public ownership. The Government's policy in business is to promote growth and to ensure a fair distribution of income. This is done by a variety of means, including taxation, regulation, and public ownership.

been so huge that they appeared to be beyond the capacity of even the largest private corporation.

Government has created corporations for three major purposes. The principal use to which they were put during the depression was to facilitate the extension of credit to hard-pressed banking, insurance, transportation, manufacturing and other private corporations and also to the states and subdivisions. Here, we meet such agencies as the Reconstruction Finance Corporation, the Home Owner's Loan Corporation, the production credit corporations, the Commodity Credit Corporation, and in a somewhat different sense, the Federal Deposit Insurance Corporation.

The second principal use for which the government has resorted to incorporation is to carry on activities of a commercial and business nature. The phrase includes, by way of specific example, operation of transportation system (Panama Railroad Company, Emergency Fleet Corporation, Inland Waterways Corporation) production and distribution or/and regulation of prices; (Federal Prison Industries, Inc., Cotton Stabilization Corporation); construction of public works (United States Housing Corporations, Public Work Emergency Housing Corporation; construction of dams and power plants (Tennessee Valley Authority; Extension of relief. (Federal Subsistence Homesteads Corporation, Federal Surplus Commodities Corporations, rural rehabilitation corporations); and the building of rental and low-cost housing.

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tional Industrial Financial Corporation, the Home Owners' Loan
Corporation, the Reconstruction Finance Corporation, the Com-
modity Credit Corporation, and in a somewhat different
sense, the Federal Reserve Industrial Corporation.
The second principal use for which the Government has
been called on for intervention is to carry on activities of a
commercial and business nature. The private initiative, by
way of public works, creation of transportation systems,
financial relief, military, maritime, forest conservation, in-
land waterways (Corporation), production and distribution of
and regulation of oil and gas; (Federal Reserve Bank, Ind.,
Boston Stabilization Corporation); conservation of public
lands (United States National Corporation), timber and water-
ways (National Corporation), conservation of game and forest
lands (Tennessee Valley Authority); education of youth.
(Federal Education Board); National Industrial Corpo-
ration; And the building of roads and low-cost housing.

Several of these examples were liquidated by 1948.

The third important use of government corporations was to deal with emergency problems that could be sharply isolated, such as procuring rubber or tin, and extending plant facilities. The production of the atomic bomb was managed by the War Department as a separate, but, incorporated project. The peace-time use of atomic energy may lead to a new series of government corporations. The government has formed corporations in an effort to conserve and more effectively utilize our natural resources, as in the case of the Tennessee Valley Authority. The government has also entered business as a competitor in order to regulate more effectively those engaged in an industry.

As has been pointed out, government ownership has steadily increased in spite of strenuous opposition. Thirty-five years ago, the Federal government owned only a fraction of the land area of the nation and none of the industrial capacity of the country. Since then, the Federal corporations have come into existence and have taken over about 40 per cent of the land area and about 20 per cent of the industrial capacity of the country.

Critics usually assert that government ownership involves an excessive amount of bureaucracy and red tape, They further alledged that because of the absense of personal risk, competitive factors, and the desire for pre-

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[illegible]

At the same time, the Government has been successful in securing the support of the industrial community of the country. This has been achieved by the Government's policy of industrialization and by the Government's policy of industrialization.

On the other hand, the fact that the defendant is a member of the Communist Party, and that he is a member of the Communist Party, is not a sufficient basis for the conclusion that he is a member of the Communist Party.

fit, government-owned enterprises are lacking in incentive, imagination and initiative. Like most generalalities, however, they perhaps claim too much.

As was pointed out, the extent of government's entrance in business undertakings has been surprisingly large. The government engages in every function of American industry. A compiled list of government corporations will be shown at the end of this paper.

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Chapter III

THE CORPORATE DEVICE

It is argued that the corporate device, when faithfully followed, is superior to departmentalism in, at least, three major respects: it is potentially less subject to injurious political considerations, it is more autonomous in organization and capable of a greater degree of unity in its management (both of which are essential to efficient operation), and it has greater flexibility with regard to its financial operations and is designed to stand on its own financial-feet as a business enterprise should.

There exists much concern about the apparent diversity of form which exists among United States government corporations. Key writes: "It is thus misleading to speak of 'the' government corporation. No uniformity of powers or form is apparent; about all that government corporations have in common is the name." ⁵ Outward appearances are deceiving. While there is considerable variety in the kinds of programs administered by government corporations, nonetheless, they exhibit a high degree of uniformity as to purpose, nature of activity, and powers.

Part of the confusion undoubtedly arises from the use of the term "corporation". It might have been pre-

5. V.O. Keys, Jr. "Government Corporation", in Fritz Morstein Marx (ed) Elements of Public Administration (Printice Hall, 1946)

[illegible]

There is a wide range of opinion among the people of the United States as to the extent to which the Government should be engaged in the production of goods and services. The Government is engaged in the production of goods and services in a number of ways. It produces goods and services for the Government itself, for the armed forces, for the public health, for the education of the young, for the welfare of the aged, for the care of the sick, for the relief of the poor, for the improvement of the environment, for the advancement of science and technology, for the promotion of the arts and letters, for the preservation of the natural resources, for the protection of the public safety, for the maintenance of the public order, for the promotion of the public interest, for the advancement of the public good, for the promotion of the public welfare, for the promotion of the public happiness, for the promotion of the public peace, for the promotion of the public prosperity, for the promotion of the public progress, for the promotion of the public perfection, for the promotion of the public perfection of the human race.

use of the term "repression". It should be noted that the term "repression" is used in a different sense than the term "repression" used in the context of the study of the mind.

ferable if the government organization had not borrowed its name from a private prototype. While government and private corporations in the United States do possess certain common characteristics, there are, and always have been, fundamental differences. Both have a legal personality, can sue and be sued, and generally have boards of directors. Here the resemblance ends. Private corporations, with the obvious exceptions, are organized for profit and the corporate form is utilized primarily to take advantage of limited liabilities, pooling of investments, transferability of securities. These are of no significance to the government corporation.

Government corporations are business ventures with no profit motive, but with definite objectives. They are not policy-making bodies with a broad range of discretion, as, for example, that of the political departments. The business of the Inland Waterways Corporations is barge transportation, the work of the Export-Import Bank is limited to foreign trade, the purpose of the Farm Credit Administration group is to facilitate agricultural finance, and so on. The business objective of the governmental corporations have not always been clearly defined, and wider areas of discretion have been accorded---under state incorporation and prior to the Government Corporation Control Act of 1945---than Congress would ever have sanctioned. But this difficulty

[illegible]

has now been corrected by Congressional legislation. Corporate charters hereafter will be carefully drawn so that government corporation, it is assumed, will now be utilized for the purpose for which they are justified; namely, to conduct a business enterprise which can more efficiently administer in the Corporate form than as a regular department or bureau. However, herein lies the old conflict of ideologies. Should the government enter into these business enterprises, or should they be left to the individual enterprise system?

The corporation is not primarily concerned with the establishment of objective and the formulation of broad policies, because this is done for it by Congressional charters and Congressional legislative and financial authorization. Therefore, the business-operationing character of the corporation is the part of its nature which must be emphasised, and hence, autonomy is the part of its nature which should be emphasised.

In fact, the chief virtue of the corporation is its autonomy. The right to "manage its own affairs". Autonomy means concentrating managerial powers in the hands of competent people and giving them enough free rein to achieve the desired results. It is the privilege of being left alone so long as you do not overstep the rules laid down in advance. Congress alone cannot run a business, but any number of people or the government itself

[illegible]

can run a successful enterprise if they pick competent administrators and provide them with sufficient freedom to organize staff, finance, and then run it as skilled administrators can when the conditions are conducive to success. Being a separate and distinct entity, headed by its own board of directors, the corporation is inherently better able to succeed than the ordinary department of government. Politics and bureaucracy come in as business standards are relaxed.

The United States, in order to use the public corporation wisely and dodge the pitfalls that accompany it, should be well aware that the form with which we are most familiar here is not the only one.

There are three principal varieties of public corporations:

"1. The mixed enterprise, in which both public and private ownership combine to form a corporate partnership.

2. The public utility trust, in which ownership is private, profits are limited by charter, and management is provided by government.

3. The government-owned corporation where both ownership and management are public."

Which of these forms takes hold in any given country seems to be largely the result of chance. One method is tried, if it works, it is repeated and so a precedent is set. Of the above, France has preferred to follow the mixed enterprise, while Britain has used the public util-

"The Administration of the Nationalized Industries in Britain". Public Administration Review, Summer, 1947

[illegible]

Facilities are not the only ones.

1. The Black Panther Party, in which both
public and private members are to be
admitted to membership.

3. The social welfare system, in which membership is private, benefits are limited by income, and management is provided by government.

3. The Government-owned Corporation

[illegible]

ity successfully, and Germany the government-owned corporation. Certainly, our traditions and historical background lies more with England, yet we have used the government-owned corporation exclusively at the national level.

The first venture into business activities for the United States came back in 1904 with the purchase of the capital stock of the Panama Railroad Company. The government took it over at the time the canal was built. The company had been operated successfully for fifty-five years by private interest. The very momentum, strong traditions and geographic location succeeded in keeping the private corporate ventures remarkably intact. It has a real board of directors, financed itself for a long while without appropriations, makes its own rules of internal management, and has remained a true business concern.

The efficiency of years past has, however, been lost. Although the railroad is rent free and tax free, and charges normal rates, it still received 20 million tax funds in the last fiscal year.

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ernment took it over at the time the canal was built.
The company has been operating successfully for fifty-five
years of private interests. The very successful, strong
financial and geographic location especially in Washington
the private corporate business was mainly intact. It has
a total amount of disbursements, financial assets for a long
while almost uninterrupted, making the amount of in-
crease substantial, and has received a large business con-
cern.

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Chapter IV

A TYPICAL GOVERNMENT CORPORATION

It is not the purpose of this paper to look into the organization and functions of each of the government corporations, but in order to gain a better understanding, one corporation has been selected as being typical. Perhaps only a few have received anymore criticism and none has been written upon as much as the Tennessee Valley Authority.

In 1935 the Tennessee Valley Authority Act was passed by Congress. The operation of Wilson Dam, at Muscle Shoals, included, among other things, the generation of electricity for its own use and transmission and sale of the surplus in surrounding territory. A very inviting campaign was waged to induce all farmers and municipalities to form cooperatives and construct their own distribution systems. The TVA would then sell to them at wholesale prices. Private utilities began to fight the program violently, claiming among other things, that the Federal government lacked constitutional authority to dispose of surplus electricity in such a way as to threaten their business and bring them under federal regulation rather than state.

The dispute went to the Supreme Court in 1936. The Court ruled that the building of the dam, which had been

A TYPICAL GOVERNMENT CORPORATION

It is not the purpose of this study to look into the organization and functioning of each of the government corporations, but in order to gain a better understanding, one corporation has been selected as being typical. This paper will give a brief history of the corporation and how it has been created upon the basis of the Tennessee Valley Authority.

In 1933 the Tennessee Valley Authority Act was passed by Congress. The operation of this law, of course, special, technical, financial, and administrative of electricity for the area and the development and sale of the surplus in hydroelectric territory. A very important company was created to manage all future and hydroelectricity in the Tennessee Valley and construct their own electric power. The law also gave the TVA the right to operate the Tennessee Valley. Private electric power was to be left to private industry, operating under state laws, while the Federal Government looked after the national authority as to the use of electric energy in such a way as to protect its power and using their water under federal regulation.

The study went to the Tennessee Valley in 1935. The Government has the policy of the law, which has been

begun during the first World War, was a legitimate exercise of the war power, and other operations on the river were legitimate exercise of the power over interstate commerce. As for the disposal of surplus electricity, the Court pointed out that the electricity "was property of the United States constitutionally acquired, that the Constitution expressly authorized Congress to dispose of and make all needful rules and regulations respecting--- property belonging to the United States. The operations of TVA were thereby made legal. The program has been greatly expanded in the vicinity of the Tennessee River and extended to other parts of the nation as well, with the result that Congress has discovered a highly effective weapon with which to regulate private enterprise.

"TVA is headed by a three man board of directors appointed by the President of the United States. The board may exercise all the powers of the corporation and serves as the chief policy-making body. The chief administrative officer is the general manager, appointed by the board and responsible for carrying out its policies. To facilitate the integration of budgeting with general administration, the budget staff is a part of the office of the general manager and assistant general manager serves as chief budget officer.

Although TVA has the corporate form of organization and such corporate powers as the right to sue and to be

beginning during the first world war, and a legislative
order of the war power, and other questions on the 1917
were legislative questions of the power over legislative
control. As for the question of national sovereignty,
the treaty implied that the sovereignty was separate
of the United States constitutionally, and that the
constituted executive authority was a separate
and made all national power and legislative power
properly separated by the United States. The separation
of the two was clearly made legal. The power has been
clearly separated in the history of the American people
and separated in other parts of the world as well, with
the result that the power was separated in a very clear
line between the two in regard to political authority.
The line is marked by a line and part of it is
separated by the President of the United States. The
power was separated all the power of the separation and
separated by the chief policy-making body. The power was
separated from the central executive authority by
the power and responsibility for policy and the political
in the history of the separation of political power
administratively, the subject was in a part of the office
of the general manager and chief executive officer
before the chief executive officer.

Although the law has separated from its legislative
and from political power as the line of the law is

sued, it has no capital stock. TVA funds are presently received from two sources, operating proceeds, and congressional appropriations. Operating proceeds, however, may be used only for certain designated purposes.

Section 26 of the TVA Act authorizes the use of proceeds "in the operation of dams and reservoirs, in conducting its business, in generating, transmitting, and distributing electric energy, and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients⁷."

The primary purpose of TVA is that of developing "orderly and proper physical, economic and social develop-⁸ment" of the area. Its first concern must be navigation and flood control, but beyond that, it is directed to produce nitrate and phosphate products for use as fertilizers in peacetime and munitions in time of war, operate electric plants for its own use and sale of the surplus soil conservation and diversification of industry. One of the non-measurable by-products is the improved recreation facilities which includes fishing, camping, swimming, and boating.

"Ranging up and down the Tennessee River there are nine dams; on its tributaries are seventeen dams, and the tributaries of the Cumberland has two. Behind each dam is a lake forming, in total, a water line longer than the salt-water boundary of the entire continental United States. Each of the main river dams has a spillway section, a navigation lock, and a powerhouse. The series

7. Kull, Donald, C. Decentralized Budget Administration in The Tennessee Valley Authority. Public Administration Review, Winter, 1949.

8. White, Lennard, D. Introduction to the Study of Public Administration. 3rd ed. McMillan. 1948

used, it has no capital stock. The funds are typically
received from the company, operating expenses, and non-
operational contributions. Operating expenses, however,
may be used only for certain authorized purposes.
Section 25 of the Tax and Accounting Act of 1939 provides
"in the carrying of such and necessary, in connection
with business, in conducting, maintaining, and operating
the electric power, and in manufacturing, selling, and
distributing electricity and related services."
The primary purpose of the is that of developing
"energy and other physical, economic and social develop-
ment" of the area. The first economic goal in connection
and that control, but beyond that, it is directed to
produce electric and mechanical power for use in utili-
ties in connection with electricity in line of work, con-
struction of plants for the use and sale of the ser-
vice with construction and distribution of industry.
One of the non-economic purposes of the project is the improved
operation facilities which include lighting, heating,
extinction, and cooling.
"Working up and down the Tennessee River basin and
also back to the mountains the Tennessee basin, and the
extension of the Tennessee river, which will be the
to a large extent, in fact, a water line between them
the self-sufficiency of the entire Tennessee valley
basin. One of the main river dams has a cooling
basin, a navigation lock, and a powerhouse. The basin

of nine dams provide a navigation channel of 9-foot minimum depth for the entire 650 mile length of the Tennessee River. Tributary dams are essentially storage dams, none has a navigation lock, but all have hydroelectric generating plants. The Authority also directs the operation of five Aluminum Company of America dams on tributaries of the Tennessee, thereby assuring more control and coordination of the vast power in this area. It maintains a network of transmission lines, a switch at each hydro or steam plant to put the power on the lines and substations throughout the power service area for taking power from the lines. The Authority also operates chemical plants for manufacturing nitrate and phosphate products.⁹

Most controversy has centered around the sale by the Authority of surplus electric power. The Authority can sell power either at its generating plants or elsewhere. In its selection of customers, preference must be shown to cooperative associations and municipalities. All contracts with municipalities and cooperatives stipulate not only the rates to be paid TVA, but also the rates at which the energy must be resold. In the beginning, those rates were from 40 to 60 per cent lower than those previously charged by private utilities in the area. Now, most of the utilities companies have lowered their rates more in line with TVA level.

9, David E. Lillienthal, TVA, Democracy on the March (New York: Harper 2nd ed., 1944)

of nine dams provide a navigation channel 20-foot wide-
ness for the entire 150 mile length of the Ten-
nesssee River. Tributary dams are essentially storage
dams, some are navigation locks, but all have electric
electric generating facilities. The authority also controls
the operation of the Alabama segment of electric dams on
tributaries of the Tennessee, which included some con-
trol and coordination of the power plant in this area. It
maintains a system of transmission lines, a system of
water rights on these dams is not the power on the lines
and associated through the power system area for the
the power from the lines. The authority also maintains
essential records for management of electric and hydroelectric
facilities.

That authority has operated around the rate of
the authority of electric electric power. The authority
can sell power at a rate as low as possible or as high
where. In its selection of customers, preference was
to those who operated as associations and individuals.
All customers who anticipated and anticipated high-
water and high the water to be sold to, and also the
rates at which the water was to be sold. In the begin-
ning, those rates were from 25 to 50 per cent lower than
those previously charged by private utilities in the
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their rates more in line with the level.

Supporting his H. J. Res. 184 of February 12, 1953, Representative Busby of Illinois had this to say regarding the TVA. "The Tennessee Valley Authority is another example of Government competition with private power industry. TVA has been a controversial project. The press has carried many items of the extravagance and waste of TVA. Of course, supporters of public power have sought to defend all of these...I would like to point out that in the field of hydroelectric power, publicly owned plants have increased almost six times in the past 20 years, and now represent an investment of 50 billion---more than twice that of all privately owned utilities.¹⁰"

Opposition to TVA comes chiefly from private utilities, coal, and railroad interest, local groups who feared their land would be taken and other groups adversely affected, banking and financial groups, States-rights advocates, manufactures of fertilizers, and others opposed to the principal of government ownership or Federal control.

Two criticisms have been made of the rate policies of the Authority: first, that its wholesale rates do not accurately reflect all the cost of generating power, and second, that the retail rates charged by cooperatives and municipalities, but dictated by TVA, do not reflect all proper cost. If either of these contentions is

10. H. J. Res. 184, of Feb. 12, 1953, 83rd Congress, 1st Session, Mr. Busby, Illinois.

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1. The following items were received from the State of New York on 10/10/1964:

correct, the users of TVA electricity enjoy a subsidy from the taxpayers of the entire country. And, too, if either is true, TVA rates are improper measurement of what it should cost private utilities to render the same service.

The Hoover Commission paid considerable attention to the TVA but made no judgment of the rate controversy. The task force did, however, make the following observations: "(1) It noted, without confirmation or disapproval, that the General Accounting Office in 1949 had concluded that TVA had allocated to power an insufficient share of the cost of multiple-use facilities. (2) On the basis of this allocation, power revenues are well in excess of those required to repay over 50-year periods the cost of facilities allocated to power, even when construction interest is charged at 3 per cent on the unpaid debt balance. (3) TVA made payments to States and counties in lieu of taxes at rates gradually decreasing from 10 per cent to 5 per cent (beginning July 1, 1948) of gross revenues from power sales. By comparison, class A and B electric utilities paid in taxes for 1946 an average of 19 per cent of gross revenues. (4) TVA annual reports were found to be comprehensive, and to present clearly the financial condition of the authority and the results of operation." The task force noted again without comment that the General Accounting

11. Ferguson and McHenry, The American System of Government, McGraw Hill, 2nd edition, pg. 719.

concerned, the nature of the relationship which is usually
first the subject of the entire country. And, that it
is not in fact, the paper are important elements of
what is usually called private relations to which the same
criteria.

The present discussion will consider the relationship
to the two not only as a function of the two countries.
The first part will, however, be the following: first-
regions. (1) It is noted, without doubt, that in 1960
generally, that the general economic situation in 1960 was
considered that the two countries are better and better-
about more of the kind of relations and relations.
(2) On the basis of this discussion, there remains the
well in terms of those involved in many over 50-year
periods but also of relations involved in many, even
when considered in detail, it seems to be that on
the whole the picture. (3) The two countries in general
and relations in terms of those of which the two
operation time is not only in 50 years (1960-1960) but
I, 1960, of those relations from which the two
fact, class A and B relations which are in terms of
1960 an average of 10 per cent of those relations.
(4) The same results are found to be representative
and to present clearly the functional situation of the
authorities and the results of operation. The last type
point out the relations which are better and better

Office had said in 1945 of TVA accounts that they "generally were well conceived, supervised, and maintained, and the authority is to be commended as one of the foremost Government corporations in the use of accounting management, comparing quite favorably in this respect with well-managed private corporations."¹²

Regardless of all that has been written so enthusiastically in favor, and regardless of all that has been written so bitterly against, several things seem to be clear about the TVA. "Most neutral observers seem to agree that the corporation has been well run from an administrative point of view; from an engineering point of view, dams and all other structures are soundly and beautifully built, public ownership has been encouraged in the area, electric rates have been lowered generally throughout the area, low rates have greatly increased the use of electric energy, tended to stabilize population, diversify industry, and attract new capital; great strides have been made in controlling flood waters, conserving soil and improving navigation; manufacture of nitrates and phosphates has helped to lower fertilizer prices and otherwise encourage its use; and the authority has been unusually considerate in its handling of personnel and the social and cultural problems of which there are many."¹³ For these improvements, in addition to paying for the products of the authority, the Amer-

12. Revolving Funds and Business Enterprises of the Government, Government Printing Office, pp. 33-97

13. Ferguson and McHenry, The American System of Government, McGraw Hill, 2nd edition.

ican taxpayer contributed in tax funds 19 million dollars in 1948, 31 million in 1949, and more than 56 million in 1950. In making judgment of the achievements and shortcomings of the TVA, one final point that will be deined by no one, and that is that the Tennessee Valley Authority has been a political empire.

Chapter V

THE GOVERNMENT CORPORATION CONTROL ACT OF 1945

In comparison with regular government departments, Corporate Agencies have been characterized by a considerable flexibility and freedom in administration, particularly with respect to personnel and fiscal management, and by a substantial measure of independence from regular executive and legislative controls over policy. It is because of these factors that the corporations have been so well adapted to the administering of commercial and emergency services. "The status of corporations as agencies separate and distinct, administratively and financially and legally, from the government itself has facilitated their adoption of commercial methods of accounting and financing, avoidance of political controls and utilization of regular procedures of business management."

There were considerable misgivings manifest principally in Congress as to the wisdom of so much administrative latitude. A principal contributing factor was the over-use of the corporate device. Instead of employing the corporate form only in clear-cut cases of public enterprises engaged in the conduct of financially self-supporting programs, "corporate status has been conferred on a number of activities simply because they

14. C. Herman Pritchett, The Government Corporation Control Act of 1945, "The American Political Science Review", June, 1946.

THE ECONOMIC COMMISSION LATE 1942 AND 1943

In comparison with many other departments, the Economic Commission has been characterized by a consistent and flexible and freedom in administration, particularly with regard to personnel and financial management, and by a substantial degree of independence from regular executive and legislative controls over policy. It is because of these factors that the Commission has been well adapted to the administration of commercial and emergency activities. The kind of corporation is a flexible agency and division, administratively and financially and legally, from the government itself has facilitated their adoption of commercial methods of accounting and financing, avoidance of political controls and utilization of regular procedures of business and "agencies."

There were considerable legislative controls originally in the Commission as in the case of most economic activities. A principal restriction was the restriction of the corporate taxes. Instead of paying the corporate tax only in cases where the public enterprise was engaged in the conduct of commercial or self-sustaining activities, corporate taxes were then collected on a number of activities which because they

were going to do some type of buying or selling, or because they were administering an urgent program, or because their administrators wanted freedom from regular government controls, and because it was easier to get the new agency set up under state incorporation laws than to secure action by Congress.¹⁵"

Congressional pessimism was vented in September of 1945 by passage of the "Control Act." With Senators Byrd and Butler at the helm, Congress was able to provide control in the following fields.

Budget of the Bureau Control--Government Corporations that were financed by other than appropriation means, were exempt from budgetary control. The regular budgetary review was put into effect for those dependent upon appropriations. The great difficulty of forecasting accurately their financial needs was always used as one of the basis of support for relief from budget bureau control.

Congressional Expenditure Control--The absence of congressional supervision and approval for expenditures of corporations not requiring appropriated funds has been one of the features of corporate administration about which Congress has tended to become most disturbed. The Control Act of 1945 adopted a uniform rule virtually eliminating exemption from appropriation control.

General Accounting Office Control--The Control Act

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 and to prevent action by Congress.

4. International relations was moved in September 1945 to become a part of the "General Staff" and General Staff was moved to become a part of the "General Staff" and General Staff was moved to become a part of the "General Staff".

and it has been suggested that the following be adopted as the basis for the study of the history of the United States.

General Accounting Office Report--The Control of
Unemployment Compensation from Unemployment Insurance
 eliminating competition from unemployment insurance
 control of it was needed a similar one already
 when Congress was asked to decide what to do.
 one of the features of a proposed unemployment insurance
 of unemployment and providing unemployment insurance
 congressional supervision and approval for the

of 1945 provides for G.A.O. audit "in accordance with the principals and procedures applicable to commercial corporate transactions." ¹⁶ Audit reports on all corporations are required to be submitted by January 15 following the close of each fiscal year, and are to include: "a statement (showing intercorporation relations) of assets and liabilities, or capital and surplus, or deficit; a statement of surplus or deficit analysis, a statement of income and expenses; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep Congress informed of the operations and financial conditions of the several corporations, together with such recommendations with respect thereto as the Comptroller-General may deem advisable, including a report of any impairment of capital noted in the audit and recommendations for the return of such Government capital or the payment of such dividends as, in his judgment, should be accomplished. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller-General, has been carried on, or made, without the authority of law."

It should be noted that the authority given to the Comptroller-General to recommend the return of government capital or the payment of dividends by corporations

[illegible]

is a substantial new infringement of the rights of corporate management. Since Congress is likely to follow the advice of the Comptroller-General on these points, it means that decisions on matters of the greatest importance for effective corporate administration have been transferred from the control of the responsible boards of directors to an auditor without responsibility for administration results.

Treasury Control--The Treasury has taken the view that corporation funds should be deposited with the Treasurer of the United States and the Control Act adopted this principal. The Act makes the Treasurer the coordinator of all corporate determination as to time, terms, and conditions under which obligations will be issued. The Control Act also brings under Treasury Control, the sale or purchase by government corporations, on their own account, of any direct or guaranteed obligation of the United States.

Control of Mixed-Ownership Corporations--These Corporations are not required to submit a budget, but are required to submit to the regular G.A.O. commercial type audit.

Acquiring and Losing Corporate Status--The act provides methods whereby government corporations can, in effect, be stripped of their corporate status. It also disallows the further use of the States to incorporate

[illegible]

Country Control--The Government has taken the view

the United States

... ..

After the Russian use of the tactic of "baiting" the Chinese, the Chinese government is expected to respond with a similar tactic. It is also expected that the Chinese government will respond with a similar tactic.

federal corporations.

The attributes of the public corporation, observed G. H. Pritchett, have been "disappearing before our eyes, like the Cheshire cat." Soon, there may be nothing left but a smile to mark the spot where the government corporation once stood." After the passage of the Government Corporation Control Act of 1945, he wrote, "The Control Act of 1945 is the latest step in ten years of retreat from the principal of corporate autonomy. It goes far toward completing the task of eliminating the features which have made government corporations useful instruments for enterprise purposes . . . the pattern of control imposed means that, for good or ill, American experience with autonomous public corporations, is substantially at an end."

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17. G. H. Pritchett, "The Government Control Act of 1945", The American Political Science Review, June, 1946

To ensure that all data entered into the DMS is the correct

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Chapter VI

THE PRESENT TREND AND CONCLUSIONS

As pointed out by Mr. Pritchett, Congress has virtually eliminated the usefulness of the Government Corporation and now there is increasing reason to believe there will be further steps toward elimination if not total elimination of the Government Corporation.

The following Resolution was introduced in the House of Representatives on January 13, 1953, by Mr. Gwinn of New York.

Proposing an amendment to the Constitution of the United States relative to prohibiting the United States Government from engaging in business in competition with its citizens. Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"Article--

"Section 1. "The Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

"Sec. 2. The Constitution or laws of any State, or the laws of the United States, shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

as outlined by Mr. Fitchett, Undersecretary of the
Interior, the Department of the Interior is interested in
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State of California and the Department of the Interior
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 Union of the United States relative
 in providing the United States
 Government from engaging in business
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 (two-thirds of each House concurring
 therein), that the following article
 is proposed as an amendment to the
 Constitution of the United States:
 which shall be valid to all intents
 and purposes as part of the Consti-
 tution when ratified by the legis-
 latures of three-fourths of the sev-

1990-1991

Section 1. The Government of the United States shall not make any purchase, procurement, contract, financial or industrial espionage except as specified in the Constitution.

"Sec. 3. The activities of the United States Government which violate the intent and purpose of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold."

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Joint Resolution 184 was introduced on the floor of the House by Representative Busby, February 12, 1953, and seeks "to look into Government enterprise activity. Its purpose is as follows:

"For the establishment of a commission to study Government competition with private taxpaying enterprise.

Resolved by the Senate and House of Representatives of the United States in Congress assembled,

DECLARATION OF INTENT AND POLICY

Section 1. (a) It is hereby declared to be the intent and the policy of the Congress to curtail or abolish those business activities engaged in by the Federal Government for which ample facilities are available by private taxpaying enterprise.

(b) To reduce the Federal payrolls to the extent of hundreds of millions of dollars annually by releasing scores of thousands of employees engaged in Government activities which private enterprise can readily absorb in similar employment." 19

In support of his resolution, Representative Busby made the following remarks on the floor of the House:

"Today I have introduced a joint resolution to establish a Commission to Study Government Competition With Private Taxpaying Enterprise. The enormous growth of Government

18. H.J. Res. 123, 83rd Congress, 1st Session, Jan. 13, 1953, Representative Gwinn, New York

19. H.J. 184, 83rd Congress, 1st Session, Feb. 12, 1953 Representative Busby, Illinois

...the ...
United States Government which ...
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...shall be ...

The purpose is to follow:
and were "in 1965 into Government Information activity
of the House of Representatives House, February 14, 1967,
1967 Session, 1967 was introduced on the floor

The above information is being furnished to you for your information and is not intended to constitute an offer or recommendation of any security.

made the following remarks on the flight of the balloon:

during the past 20 years, is, as we all realize, a dangerous threat to the sovereign rights of the individual States and to the personal liberty of all of us. But possibly we are not as keenly aware of the threat to privately owned enterprises in all parts of the country because of competition from the purely business activities of the Federal Government.

One example of a Federal activity which is competing with private industry is the Reconstruction Finance Corporation. The RFC reduces investment opportunities for banks, insurance companies, and other privately owned financial organizations. Congress did not intend this. When we enacted legislation establishing the Reconstruction Finance Corporation, we contemplated that it would make loans only when private lending institutions were unwilling to do so. Recent practice has been to grant RFC loans to borrowers simply because they are unable to get private money on their own terms. But, the RFC is only 1 of 40 Federal agencies which are or have been engaged in banking and credit activities.

To mention only a few: Farm Credit Administration, Farmers Home Administration, Rural Electrification Administration, Reclamation Bureau, Soil Conservation Service, Commodity Credit Corporation, Federal Farm Mortgage Corporation, Mutual Security Agency, Defense Minerals Exploration Administration, Technical Cooperation Administration, Maritime Administration, Housing and Home Finance Agency, Export-Import Bank, Federal National Mortgage Association. Other Federal agencies and corporations engaged in lending and credit activities are listed in special analysis D on page 1104 of the Budget document for 1954.

More than \$12,500,000,000 in Federal funds are invested in these lending activities, with additional commitments of more than nine billion.

Another glaring example is public housing. The first Federal Housing Act was passed in 1937, to alleviate the present and recurring unemployment, which reason no longer exists. Like all other tax-free socialistic experiments, Government housing is the same kind of unfair competition for which private business would be haled before the Federal Trade Commission and the Department of Justice for prosecution for monopoly in restraint of trade, and so forth.

There are four separate Federal housing bureaus:

First: Housing and Home Finance Agency: Employs 101 persons at salaries from \$6,400 to \$17,500, exclusive of many hundreds of secretarial and clerical staffs.

Second: Federal Housing Administration: Employs 279 persons at salaries from \$5,400 to \$15,000, exclusive of many hundreds of secretarial and clerical staffs.

Third: Public Housing Administration: Employs 92 persons at salaries from \$6,400 to \$15,000, exclusive of many hundreds of secretarial and clerical staffs.

Fourth: Office of the Housing Expediter: Employs 286 persons at salaries from \$5,400 to \$14,000, exclusive of many hundreds of secretarial and clerical staffs.

What have these four bureaus accomplished during the past 15 years which private builders and prospective homeowners could not have accomplished to alleviate the present and recurring unemployment and to remedy the serious housing shortage, which were the reasons stated for enactment of housing legislation?

I want it clearly understood that I am not singling out any particular agency nor endeavoring to pass on the degree with which various agencies are in competition with private business, but I am urging Congress to adopt my resolution in order that we will have the advantage of this Commission's survey and findings. It would operate in this field in a way similar to the study conducted by the Hoover Commission on the Reorganization of Government Agencies.

Perhaps one of the greatest threats to free competition came in 1951, when Congress was considering the Defense Production Act. The Government asked for more power to carry on business pursuits, and an amendment was proposed giving the Government power to build industrial plants for the purpose of manufacturing, producing, and processing materials necessary to the national defense and to engage in marketing, transportation, and storage of such materials. If this amendment had been enacted, it might well have crushed private industry, which could not have long withstood the competition from the Federal Government, with its enormous capital resources. As you know, Congress rejected the proposal.

It will not be easy to get the Government out of competition with private business enterprises. This was demonstrated in the recent Dollar-Steamship-Company Case. You will remember that in 1938, the Government undertook the operation of the Dollar Line and immediately changed the name to the American President Line. For the next 12 years, political appointees, with little or no experience in shipping, occupied the \$25,000-a-year job as company president. Mismanagement was so notorious that Harry Lundeborg, president of the AFL Seafarers International Union, stated publicly that---

'The American President Line is run by the Government and is like a Government agency, you get a job there, not because you are a good seaman or a good maritime executive, but because you are a good politician.'

When the company's debt to the Government had been paid, R. Stanley Dollar and his associates asked the Department of Commerce to return their property. This request was refused. The Government claimed that it owned the stock, and it offered the shipping company for sale to the highest bidder. The Dollar interests brought court action to enforce their claim to the \$68,000,000 company, and the court ordered the Government to return the stock. Secretary of Commerce Charles Sawyer refused; and United States Court of Appeals for the District of Columbia, by a unanimous decision of three judges, cited Secretary Sawyer for civil and criminal contempt. The court said:

'Here we have the spectacle of a Government which proclaims adherence to law as the governing force among men not only refusing for 6 years to submit to its own courts its claims to private property derived from purely commercial transactions, but endeavoring by every device to thwart and defeat the judgment of those courts after it has been rendered.'

The Supreme Court affirmed this decision, but even then, the Department of Commerce did not fully restore ownership of the steamship line to the Dollar Co. A settlement was later negotiated. The Dollar Line's case demonstrates the danger Senator Benjamin Harvey Hill warned us of in a speech in the Senate on March 27, 1878. Senator Hill said:

'I have said that I do not dread these (private) corporations as instruments of power to destroy this country, because there are a thousand agencies which can regulate, restrain, and control them; but, there is a corporation we may all dread. That corporation is the Federal Government. From the aggression of this corporation there can be no safety, if it is allowed to go beyond the bounds, the well-defined limits of its power. I dread nothing so much as the exercise of ungranted and doubtful powers by this Government. It is, in my opinion, the danger of dangers, to the future of this country. Let us be sure to keep it always within its limits. If this great, ambitious, ever-growing corporation becomes oppressive, who shall check it? If it becomes wayward, who shall control it? If it becomes unjust, who shall trust it? As sentinels on the country's watchtower, Senators, I beseech you, watch and guard with sleepless dread that corporation which can make all property and rights, all States and people, and all liberty and hope, its playthings in an hour and its victims forever.'

It is apparent from this statement that the dangers of Government encroachment on private business activities have long been recognized, and something should have been done about it long ago. My resolution would do something about it by creating a commission of 21 members, representing over-all manufacturing, industry, trade and commerce, transportation, banking, newspaper and magazine publishing, and other forms of graphic arts. Seven members of the Commission would be appointed by the President, seven by the President of the Senate, and seven by the Speaker of the House of Representatives. This commission would have access to all Government records; and, after making a thorough study of Government functions, which compete with private business activities, it would report to Congress on its findings and would make recommendations for getting the Government out of competition with private business.

I am recommending the creation of a special commission because the problem is so vast in its scope. Before Congress can act effectively on legislation to remedy the situation, it must have the advantage of a comprehensive report, with facts and figures in detail. The fact is that Government competition affects, in one way or another, a large percentage of the four million-odd business concerns in this country in different lines of manufacturing, commerce, banking, transportation, and the public services. To eliminate Government as a competitor would be the greatest boon Congress could bestow upon free, independent, taxpaying enterprise." 20

Since Representative Busby expounded upon the advisability of curtailing the activities of Government Corporations, it has been decided by the present Administration to allow the Reconstruction Finance Corporation to die a natural death in 1954. This decision has undoubtedly set the precedent for many other emergency Government Corporations. As their charters are brought up for renewal they will be allowed to lapse. The clothing operation of the United States Navy, although not corporated, will be discontinued in April 1953. The underlying reasons being pressures brought by American business.

The government corporations should be analyzed very critically so as to determine which are doing jobs that could not be done more efficiently by private industry. They have proved to be an expensive instrument, but one whereby tasks could be accomplished. It is hard to visualize the task of complete abandonment of the corporate device but it is claimed by advocates of that theory that "denationalization of the enterprises now federally owned and operated would reduce the national debt. It would also eliminate the losses and hidden costs of the federal corporations, reducing the cost of operating the federal government by more than one third, which would, in turn, greatly reduce taxes.

Estimating the extent of this tax reduction it is anticipated that personal income taxes could be cut to less than a \$6 billion a year total - - a 70 per cent reduction - - thus increasing personal tax exemptions from \$600 per person to \$1500 per person, and cut the rate of taxes above the \$1500 in half.

This would mean that the first \$156 per person paid in taxes could be retained by the taxpayer, and all the taxes above the present \$156 per person point would be cut in half.

Thus, by returning productive enterprise to the individual enterprise system, the conflict between government and people over the ownership and operation of

[illegible]

the enterprises created by the people will end. Labor would have the increased "take-home-pay" it seeks solving much of the current labor problem. As this increased "take-home-pay" would not involve increased pay rates, it would restore the fruit of toil to those who toil, increasing the standard of living of the American people by 11 per cent." 21

This, is perhaps, a far too enthusiastic claim, but it does point the direction of thinking in this area.

The Government Corporation should, if used, be given the broadest of supervisory power, along with financial freedoms; they should use the business method of accounting, this means amendment of the Control Act. They should pay for their own audit by Auditing Management Firms. This would relieve the General Accounting Office and keep the Corporations on their own financial feet. The Government Corporations should be freed from the shackles of Civil Service Regulation and should be allowed the privilege to hire and fire. They should be able to retain their reserve funds and their annual earnings. They should pay all costs for the conduct of their commercial type operation. They should not ask nor take any privilege of any other government unit in the way of services or material.

"Theoretically, if sufficient improvements could be made among the departments in the direction of greater

21. Willis E. Stone, President. The Federal Corporations, The American Progress Foundations.

51. While it is true that the Government of the United States has a right to protect its citizens from the effects of the influenza pandemic, it is equally true that the Government has a duty to protect the rights of its citizens. The Government should not use its power to restrict the movement of people or the distribution of goods in a way that would be oppressive or discriminatory. The Government should also take steps to ensure that the health care system is able to meet the needs of all citizens, and that the distribution of resources is fair and equitable. The Government should also provide information to the public about the pandemic and the steps it is taking to protect its citizens. The Government should also encourage citizens to take steps to protect themselves and others, such as wearing masks and avoiding large gatherings. The Government should also provide support to businesses and individuals who are affected by the pandemic, such as providing financial assistance and access to health care. The Government should also take steps to ensure that the health care system is able to meet the needs of all citizens, and that the distribution of resources is fair and equitable. The Government should also provide information to the public about the pandemic and the steps it is taking to protect its citizens. The Government should also encourage citizens to take steps to protect themselves and others, such as wearing masks and avoiding large gatherings. The Government should also provide support to businesses and individuals who are affected by the pandemic, such as providing financial assistance and access to health care.

autonomy and flexibility, there would be little or no justification for government corporations at all. However, progress to date in this and other countries has been so slow, and the underlying theory of management and control in many cases is so foreign to flexibility and freedom, that government corporation should, if possible, point the way to needed improvements, and not be discarded because they are administratively competitive. In a democracy, as in other forms of government, the means should be adjusted to the purpose and all operations administered as efficiently as possible in order that programs democratically decided upon shall have the best assurance of success. Experimentation, not uniformity, is the spirit of democratic control. "If, as seems likely, government's concern for the economy continues to grow, an important problem will be that of retaining the best features of private enterprise in a system that has tended increasingly toward collectivism." 22

22. Marshal Dimock, The Government Corporation, A Focus of Policy and Administration, II, The American Political Science Review, December, 1949.

THE FEDERAL CORPORATIONS

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| 1. Agricultural Research Administration | 19. Defense Supplies Corporation |
| 2. Alaska Railroad | 20. Division of Power |
| 3. Alaska Rural Rehabilitation | 21. Division of Territories and Island Possessions |
| 4. Alaska Spruce Corporation | 22. Export-Import Bank |
| 5. Bureau of Agricultural and Industrial Chemistry | 23. Farm Credit Administration |
| 6. Bureau of Community Facilities | 24. Farmers Home Administration |
| 7. Bureau of Employee's Compensation | 25. Federal Airways System |
| 8. Bureau of Human Nutrition and Home Economics | 26. Federal Crop Insurance Corporation |
| 9. Bureau of Land Management | 27. Federal Deposit Insurance Corporation |
| 10. Bureau of Old Age and Survivors Insurance | 28. Federal Farm Mortgage Corporation |
| 11. Bureau of Reclamation | 29. Federal Home Loan Bank |
| 12. Bonneville Power Administration | 30. Federal Housing Administration |
| 13. Central Bank for Cooperatives | 31. Federal Intermediate Credit Banks |
| 14. Central Valley Project | 32. Federal Land Banks |
| 15. Commodity Credit Corporation | 33. Federal Loan Agency |
| 16. Corps of Engineers | 34. Federal National Mortgage Association |
| 17. Defense Homes Corporation | 35. Federal Power Commission |
| 18. Defense Plant Corporation | 36. Federal Public Housing |
| | 37. Federal Reserve Banks |
| | 38. Federal Savings and Loan Insurance Corporation |
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THE FEDERAL NOMINATIONS

1. Agricultural Research Administration	19. Defense Supplies Corporation
2. Alaska Highway	20. Division of Labor
3. Alaska Rural Settlements Section	21. Division of Fisheries and Island Possessions
4. Alaska State Government	22. Export-Import Bank
5. Bureau of Agricultural and Industrial Unemployment	23. Farm Credit Administration
6. Bureau of Commerce	24. Federal Reserve Administration
7. Bureau of Congress's Commission	25. Federal Reserve Bank
8. Bureau of Human Resources and Home Education	26. Federal Trade Commission
9. Bureau of Labor Management	27. Federal Trade Commission
10. Bureau of Civil and Air Service	28. Federal Trade Commission
11. Bureau of Investigation	29. Federal Trade Commission
12. Bureau of Motor Vehicle Administration	30. Federal Trade Commission
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82. Bureau of Motor Vehicle Administration	100. Federal Trade Commission

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| 39. Federal Security Agency | 61. Prencinradio, Inc. |
| 40. Federal Surplus Commodities Corporation | 62. Production Credit Corporations |
| 41. Federal Works Agency | 63. Production and Marketing Administration |
| 42. Government Printing Office | 64. RFC Mortgage Company |
| 43. Home Owners Loan Corporation | 65. Railroad Retirement Board |
| 44. Housing Insurance Fund | 66. Reconstruction Finance Corporation |
| 45. Inland Waterways Corporation | 67. Regional Agricultural Credit Corporation |
| 46. Institute of Inter-America Affairs | 68. Rubber Development Corporation |
| 47. International Bank for Reconstruction | 69. Rubber Reserve Company |
| 48. International Monetary Fund | 70. Rural Electrification Administration |
| 49. Land Bank Commissioners Loans | 71. Social Security Administration |
| 50. Maritime Commission | 72. Soil Conservation Service |
| 51. Metal Reserves Company | 73. Southwestern Power Administration |
| 52. Missouri Basin Project | 74. Synthetic Liquid Fuels Program |
| 53. Mutual Mortgage Insurance | 75. Tennessee Valley Authority |
| 54. National Capitol Housing | 76. Tennessee Valley Associated Cooperatives, Inc. |
| 55. National Housing Agency | 77. U.S. Commercial Company |
| 56. National Service Life Insurance | 78. U.S. Employment Service |
| 57. Office of Indian Affairs | 79. U.S. Housing Corporation |
| 58. Office of Vocational Rehabilitation | 80. U.S. Maritime Commission |
| 59. Panama Railroad | 81. Department of the Navy |
| 60. Postal Savings System | |
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30. Federal Security Agency
 40. Federal Bureau of Investigation
 41. Federal Reserve Bank
 42. Government Printing Office
 43. Great Western Land Co.
 44. Southern Railway System
 45. United States Army
 46. United States Navy
 47. United States Coast and Geodetic Survey
 48. United States Geological Survey
 49. United States Customs Service
 50. United States Department of Agriculture
 51. United States Department of Commerce
 52. United States Department of Education
 53. United States Department of Health, Education and Welfare
 54. United States Department of Housing and Urban Development
 55. United States Department of Labor
 56. United States Department of State
 57. United States Department of Transportation
 58. United States Environmental Protection Agency
 59. United States Food and Drug Administration
 60. United States General Accounting Office

61. United States Information Agency
 62. United States International Trade Commission
 63. United States Patent and Trademark Office
 64. United States Postal Service
 65. United States Secretariat of Defense
 66. United States Social Security Administration
 67. United States Supreme Court
 68. United States Tax Court
 69. United States Trade Commission
 70. United States Treasury Department
 71. United States Veterans Affairs
 72. United States White House
 73. United States World Bank
 74. United States World Health Organization
 75. United States World Trade Organization
 76. United States World War II Veterans
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